

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE TULARE IRRIGATION DISTRICT HELD ON THE
12th DAY OF AUGUST 2014 AT THE HOUR OF 9:00 A.M.**

Call to Order:

Directors present at the meeting held at the date and time above designated were President David Bixler, Vice President Rick Borges, Mike Thomas and Scott Rogers. Director Dave Martin was absent. Staff present at the meeting were J. Paul Hendrix, General Manager and Secretary; Kathi Artis, Controller; Wayne Fox, O&M Superintendent; Aaron Fukuda, Engineer; and Marco Crenshaw, Watermaster. Also present was Corky Anderson, a District landowner. The meeting was called to order by President Bixler.

Public Comments:

There were no comments from any members of the public in attendance to come before the Board.

Approval of Minutes:

Director Bixler then noted that the minutes of the regular meeting held July 8, 2014 had been distributed and asked if there were any errors or omissions noted therein. Two corrections were so noted and upon the motion of Director Borges, second by Director Thomas and unanimously carried by all board members present, the minutes of the meeting were thereupon approved as corrected.

Watermaster Report:

Lake Kaweah Storage and Operations - Mr. Crenshaw began with a report of storage in Lake Kaweah of 24,500 AF and a current release at the dam of 128 cfs. Wutchumna WC and Foothill and Hamilton ditch companies are still running water. He then reviewed the District's water supplies, noting that its entire Kaweah entitlement of 8,850 AF will be delivered to LSID. There ensued some Board discussions regarding sales of river water outside of the Kaweah Basin and purported compliance with the Watermaster's "no net loss" policy.

Terminus Hydropower Operations - Mr. Crenshaw then discussed the status of KRPA's operations and presented a graph of energy generated and dam release flow since June 1st. He said that anticipated revenues from this year's flows through Unit No. 1 have been estimated at \$618,000.

Water Management Activities - No report given.

O&M Superintendent Report:

Routine Work, Construction Projects - Mr. Fox reported on the maintenance activities undertaken during the past month in the delivery system and within upstream diversion channels. He made reference to the 2nd quarter O&M report in his report. He made note of safety training, maintenance projects such as field drain removal, vehicle/equipment repairs, herbicide applications, and work on non-District construction projects. He stated that six City of Tulare storm water basins have been rehabilitated thus far.

Treasurer Reports:

Approval of Financial Statements - Ms. Artis then presented the financial statements for the month of July 2014 for the Board's review and consideration. Beginning with the revenue and expense report, she noted about \$38,500 in non-water sales & service, of which \$28,000 came from outside work. She noted non-operating revenues as consisting mainly of assessment income. Regarding expenses, Ms. Artis reviewed the typical expense groupings, noting a net loss for the month of \$327,270 and a net

gain for the year of \$856,300. She moved on to the statement of cash flows and fielded questions from Director Thomas concerning water sales income. After a review of the statement of net assets, Ms. Artis then detailed the District's investments, citing yield rates of 1.15% in the Tulare County pooled fund, 0.24% at LAIF and 0.35% at Citizens Business Bank. She lastly called the Board's attention to the amortization schedule for the Banc of America 9(d) contract loan.

Approval of Bill Payments - Ms. Artis next presented the list of bills submitted for ratification and approval by the Board. Noting payment for a new lawnmower, discussions ensued regarding theft prevention at the District yard. After some further questions regarding selected bills and by the motion of Director Rogers, second by Director Thomas and unanimously carried by all board members present, the Board accepted the financial statements and, by said motion, check nos. 45227 through 45355 totaling \$815,598.35 were all either ratified or approved as paid, exclusive of any voided or withheld checks.

Management Staff Reports:

Ag. Water Management Plans - Mr. Hendrix indicated to the Board that an organization called the Environmental Law Foundation has sent letters to certain public districts providing irrigation service which did not submit a water management plan to DWR per regulations enacted by SB 7X-7. The form letter infers that legal action may be forthcoming if no timely response is made. Mr. Hendrix noted that the District had complied with the regulations and submitted such a plan, therefore staff does not anticipate receiving such a letter.

Recycled Water Use - Mr. Hendrix identified two other instances where irrigation districts in the state are contemplating taking delivery of recycled wastewater from urban agencies. He described the plans and costs of programs being evaluated between Del Puerto WD and the City of Turlock, and between San Benito CWD and the City of Hollister. Mr. Hendrix contrasted these programs with the agreement and planned exchange operations between the District and City of Visalia. Mr. Anderson urged that the District make contact with Semitropic WSD in Kern County as to the potential for participation in that district's groundwater banking program and related water exchanges.

NRCS Grant Application - Mr. Fukuda next summarized the status of the District's application for a grant from the NRCS, and that the application has passed the initial screening and a forthcoming full application will receive further review. He cited the four projects identified in the District's application, namely additional funds for on-farm efficiency projects, the Mooney Grove habitat reserve/recharge project, the storm water layoff/recharge basin, and the remote sensor installation project. Mr. Fukuda indicated that total project costs were identified to be \$32.4 million, with a grant request of \$13.6 million. He added that several other project participants were identified in the application, including the cities of Tulare and Visalia, the Kaweah Delta WCD, and the County of Tulare.

Matters for Consideration of Board Action:

Establishment of Board of Equalization - Mr. Hendrix summarized the role of the Board of Equalization, its purposes related to District assessment levies, and its members consisting of the District's Board of Directors. By the motion of Director Rogers and second by Director Borges, the Board was hereby established as a Board of Equalization, which board will sit for a ten-day period beginning September 9th to hear any objections made to the valuation, acreage, or any other matter pertaining to the levy of assessments.

Miot Ditch Quitclaim - Mr. Fukuda then summarized the situation with the Miot Ditch and interest of water users served thereby to close in a portion of the channel. He described the ditch location on property owned by Richard Dyt as well as adjacent properties served. By the motion of Director Thomas, second by Director Rogers and unanimously

carried by all board members present, the Board approved execution of a quitclaim deed and for the District to undertake the removal of the ditch from the Dyt property.

Board Member Report of Meetings:

Director Bixler asked if any of the Directors have reports on meetings they attended or wished to discuss at this time.

Director Borges proceeded to summarize the August 7th K&SJRA meeting, noting that without staff present the meeting was of short duration. He then reported on the KBWQA meeting held the same day, noting a flurry of sign-ups with many more small parcels yet to join on.

Director Borges thereupon summarized the matters dealt with at the July 24th FWA board meeting, which centered on a mediated effort to seek a revised direction for the organization and consideration of a new lobbyist firm.

Director Bixler next made mention of his attendance at the July 25th ACWA board meeting, at which the two main topics of discussion were the 2014 water bond and state groundwater legislation. He and Director Thomas then noted their attendance at the July 28th operations committee meeting of the District and City of Tulare and topics of discussion.

Director Thomas lastly summarized the conduct of the Wutchumna WC's July 16th board meeting, making note of a \$250 per share assessment and that the net due will be lower as the board's decision was to draw from the power enhancement trust fund to offset amounts otherwise paid by shareholders.

There being no other items to come before the Board of Directors, the meeting was adjourned.


Secretary


President